

WHY VILLAGE INSTITUTIONS MATTER

ALARM;

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“Why Village Institution Matter”

Structure:

- 1. Introduction and Context**
- 2. The case for Village Institutions / VDCs**
- 3. Critique of current governance arrangements at village level**
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- 5. Conclusions / next steps**

1. Introduction:

The main purpose of this paper is to highlight the cases and issues in order to realize why village institution is needed at the grassroots level. To support the purpose of the paper, international best practice and case studies on village institutional development forming or local governance systems are reviewed in this paper. In addition, Department of Rural Development is now following the Manual for formulation of village development plan to form the village development committee. Therefore, the paper also reviewed on that manual to find out the gaps while compared with current issues and international evidences. This paper makes the case for stronger village institutions, as a key enabler of more effective rural development and democratic reform. It is intended to support DRD as they prepare to enact the 2019 Rural Development Law, which includes the provision to establish Village Development Committees. ALARM argue that VDCs have the potential to provide stronger community-led governance at village level, empower communities and support more effective rural development. Moreover, democratically elected Village Development Committees have the potential to deliver democratic governance at the village and township level, contributing to the process of democratisation and peace building in the country. This paper sets out the positive benefits that VDCs can deliver for Myanmar, as well as developing some framing questions to help DRD to develop policy options for enacting the 2019 Rural Development Law and providing proposed guidelines to organize the village development committee from which studying the four kinds of manual that DRD currently using for the committee formation. The proposed guideline has prepared in order to form the village institution in more effective way and more representatives for the community.

Historical context:

1907 Myanmar has had a formal system of village level governance for more than a century, when Village Heads were given responsibilities in 1907. Government organized government committees at Union, District, Township and Village level since British colonial system until now.

In 1948, under the rule of Burma Socialist Political Party (BSPP), the following structure of administration was introduced: state/division, districts, sub-divisions, townships, and wards and village tracts, managed respectively by Commissioners, Deputy Commissioners, Sub-divisional Officers, Township Officers, Assistant Township Officers, and Headmen. Most of this structure is still in place today.

The-2008-constitution granted some power to regional authority for controlling natural resource management and municipal taxes. Article 289 of the 2008 Constitution stated that 'administration of ward or village tract shall be assigned in accord with the law to a person whose integrity is respected by the community.' Governance reforms in reconstructing and reorienting much of Myanmar's public sector have proliferated since the 2008 Constitution, and the village administrators took place as a main actor in village administration.

2012: The current system of Village Tract Administrators was operationalized by the Ward and Village Tract Administration Law of 2012, which stipulated that there be elected village tract administrators, while the village tract clerks continue to be appointed by the GAD's township administrators.

2019: The transfer of the General Administration Department from the military-controlled Ministry of Home Affairs to the civilian Ministry of the Office of the Union Government in the end of December 2018 was an important step towards the goal of demilitarising Myanmar's governance and this reform could also support decentralized governance in Myanmar. Moreover, the Rural Development Law was passed stipulating that all villages should have an elected Village Development committee perform the development tasks to be more decentralized and more reflected the community's needs.

Context:

As the village governance structure at village level in Myanmar, the GAD plays central role in administration at the village level. The primary responsibility of GAD is the management of country's public administrative structures and GAD supports coordination and communication among the Union Government's ministries and also connects the capital to approximately 16,700 wards and village tracts. According to the Ward or Village Tract Administration Law in 2012, the selection process was initiated to elect the village tract administrator who are voted by the communities' will and appointed by the township administrator. The elected village administrator will be provided a salary from the GAD and a clerk employed by GAD will support the village tract administrator. The Village tract administrator will be the main link between the central state and communities may effectively act as an extension of the GAD's Township Administrator. Within villages, there is a further level of coordination known as household heads system, whereby groups of 10 households select representatives to participate in village tract forums.

VDC - democratically elected persons and representative for the communities especially for the marginalized groups. The committees are supposed to take leader role in village needs assessment and make a development plan/implementing the village development activities to fulfil the village needs.

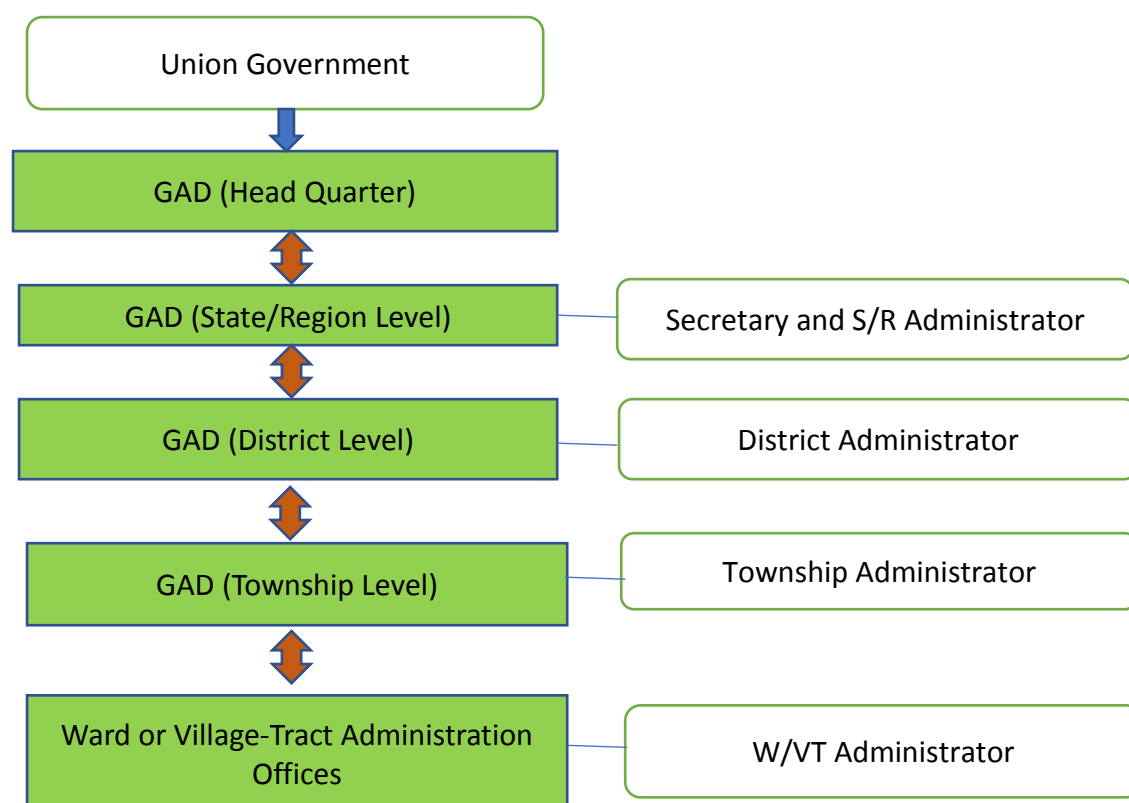


Figure 1. Structure of General Administration Department at Central and Local Level

Village Heads: Within individual villages, the Village Responsible Person or Village Leader often serve as the ultimate decision maker in village affairs, and as the key gatekeeper between community members and all government authorities located outside the village. However, these ‘100 Household leaders’ were excluded from the 2012 W/VTa Law, and so have no formal standing within the government.

Village tract administration in rural area is the lowest tier of the official government administrative structure in Myanmar. Village tract administrators continue to play the same varied roles that they have historically, including tax collection, land registration, and reporting on demographics. However, they also take on increasing roles in development and land issues, including Chair of the Land Management Committee. The Village headman and VTA has role to perform tasks assigned by Township Administrator and safeguarding the villages under their own village tract. VTAs has rights to assist the VDC while performing the development project such as helping to solve the disputes or corruptions and help to coordinate with related department. VTAs also engage with the local community and informal/formal local institutions to support in rural development tasks. Village tract clerks support the administrators and keep records of administrative, economic, and social statistics, as well as office procedures and security records (W/VTa Law, 2012). VTAs are not always well-connected to all of the villages within their remit (Kempel. S, MDR, 2012)

Village Committees: In recent years, village levels Committees have proliferated, and are organized by a range of government departments and international donors. They manage a range of different issues. According to the Community Forestry Instructions, 2016, community

forest users group is formed in the village level and cooperative society has organized by the cooperative rule, 2013. In addition, DRD also forms the different types of village level committee (i.e. electricity, green village development fund, rural water supply) which is depending on the types of provisions according to the rural development law, 2019. These committees perform village level development tasks and assigned their roles & responsibilities under the supervision of the respective departments. The VDCs play a fundamental role in needs identification and project implementation in rural areas and receiving the additional training related to the rural development projects. The VDC has the responsibility to solve the problem during the implementation of the project such as disputes, corruption, and conflicts (Haneef C, Pritchard M, Hannan M, Alam Z and Rahman M, 2014). In reality, only few communities are aware of these communities and their roles (Local Governance Mapping, UNDP,2015). There are also some examples of village level management committee organized by the other government departments are described in the following table 1.1.

Table 1.1 Village level development committee organized by respective government departments in Myanmar

Fund Categories	Fund Management	Objective	Implementer
Constituency Development Fund (CDF)	By Township Development Committee (TDIC) and Members of parliaments (MPs) have final discretion over projects area selection.	Construction & maintenance of small-scale infrastructure and other development projects.	Village tract development sub-committee (VTDC)
Poverty Reduction Fund	By Chief Minister of each State/Region and tendering is responsible for GAD.	Support poverty reduction measures	Private companies are the lead implementers and quality control by TDSC and VTDC
Rural Development Fund	By GAD	Fund Development projects in rural areas	Villagers
Village Development Plan	By elected Village Development Committee (VDC)	To encourage active participation of villagers for the greater wellbeing of their families and elimination of poverty.	Implementation if approved by VDC and is the responsibility of the DRD
National Community Driven Development Project (NCDDP)	DRD receives fund at the union level and transfer block grant directly to village tract and operating	To support people centered development and enable poor rural communities to	VDSC and VTDC through facilitation process by township DRD, local & international NGOs.

	expenses to Township DRD.	benefit from improved access to infrastructure and services.	
Green village development fund	By Village level management committee under the facilitation of Township DRD	To establish revolving funds at the village level and to provide loans for entrepreneurial activities in the village.	Village Management committee
Ministry of Cooperatives' Agricultural loan program	Ministry of Cooperative provide agricultural credit and village level management committee for the association manage the fund distribution.	To provide agricultural credits in the village level.	Village level management committee for the association

Source: Robertson.B, Joelene. C, Dunn. L, 2015.

DRD: Rural development and the responsibility for implementing Village Development Committees, is under the Department for Rural Development, which sits under the Ministry of Agriculture, Livestock breeding and Irrigation (MOALI). DRD's budget has been growing in recent years – a positive indication of government investment in rural development.

General Administration Department (GAD) is central to the functioning of the administrative mechanism across the country. **The main contact Myanmar's citizens have with their government is likely to be via the GAD at the township and sub-township levels. At the critical level, the GAD township administrator helps coordinate among union ministries and heads committees comprising various departmental officials.**

The relationship between Village Tracts (overseen by GAD) and the new Village Development Committees (overseen by DRD) will be critical to the impact and effectiveness of VDCs. Similarly, given the importance of Village Heads within informal village decision-making processes, their role within the new VDCs will also be of key importance.

2. The case for Village Institutions

Rural development:

Rural economic development is a top political priority (Framework on Economic and Social Reform 2012-2015). DRD's budget has been growing in recent years – a positive indication of government investment in rural development. However, DRD is very centralized with a huge budget to control the development agenda at local level. More devolution of power from DRD to regional authority and local institutions will enable critical decisions on

rural development activities to be undertaken at an appropriate level, and will increase the impact of investment.

Local institutions play crucial roles in the contribution of rural development in grassroots level especially for the lower income groups. Without local involvement and ownership, rural development projects are less likely to be effective. **The benefits of devolution of power and village level governance have been recognized for many decades.** For example, analysis by Montgomery (1972) of land reform implementation found that devolution of authority to local governments or membership organizations produced more benefits than a centralized approach.

The absence of local institutions that are democratically formed and genuinely represent local interests and voices will hamper the progress of improving the rural livelihoods. Village-level democratic institutions, in the form of Village Development Committees will help the participatory decision making by the majority of village community members through the, especially for implementation of village development activities.

Village level elections and accountability is an important part of the good governance which is leading to the rural development. The elections of Ward/Village Tract Administrators are important, as the Ward or Village Tract Administration Law is the main link between communities and the state, increasingly play a key role in local development as it constitutes the most local level of the administration and is also supposed to represent citizens' interests. The local elections are also important as they form an indispensable part of rural area development and are crucial to the development of active citizenship and good governance.

In the past, rural development had been adversely affected by top-down approaches to development and has become "supply-driven" in many countries. On the contrary, recent developments in decentralization advocate a "demand-driven" strategy and have the merit of considering the specific demands and potential of each locality. The local government institutions and local community organizations could establish a collaborative partnership in undertaking the responsibility for developing a local "vision" and strategy; and designing/ planning, allocating resources, implementing and monitoring/evaluating of development activities that would better cater the local needs. They would "jointly" become the driving force towards development, develop a "sense of shared ownership" and become "managers" of their development initiatives.

Cambodia:

In Cambodia, the Commune Election Law provides a framework for village level democratic institutions, in order to promote good governance at the local level, to promote participation in local socio-economic development and to reduce poverty through improvement of services and access to services. The commune has the broad power to govern the local affairs within its territory, to meet the basic needs and serve the common interests of commune residents (Spyckerelle and Morrison: 2007). With the support of NGOs and donor programs, the government's new decentralization framework has shown that despite Cambodia's history of top-down decision-making processes at all levels of government, participatory local governance can be successfully developed in Cambodia (Pellini and Ayres: 2007). Cambodia

has laid the foundations for decentralized service delivery by establishing district-level planning and administrative arrangements to oversee local implementation and has created consultation mechanisms to ensure that the interests of the poor are represented in commune development planning processes. Proper resources and capacity building investments are provided by the central government.

Indonesia:

In Indonesia, village government institutions are administered by Village Government (VG) and Village Consultative Agency (VCA): (1) The Village Government consists of a head of village and village officials; (2) the Village Consultative Agency consists of the members selected by the villagers based on the way of deliberation and consensus and based on premises of religious leaders, community leaders, and traditional authorities which are alike to the head of the village. VCA member are organized in order to reach the consensus and to oversee the village government as well to empower the village community.

According to their law, each region has responsibility to practice the autonomy through reinforcement of the institutions to perform the development projects with effectiveness and to be sustainable by democratization. Moreover, the provisions of village budget by government are prioritized based on the empowerment of community and village development. Therefore, all regions in Indonesia keep trying to create and develop all the potency to be used for the community by applying the model of reinforcement including education and training, systematic recruitment, capacity building and establishing a synergic relationship between local institutions and outsiders/stakeholders. The researcher stated that self-sufficient management by the communities in the village level through empowering the community and reinforcement of social capital become part of pillar of environmental and social development and human resources at village level. (Adnan, Aiyub and Bachri, N., 2017).

In India, Aga Khan Rural Support Programme (AKRSP) initiated the promotion/capacity building mechanisms for the village institutions and practiced as a key component of project intervention in order to promote the institutional sustainability in the village level. AKRSP identified the village institution which is a main vehicle to govern the access of the communities/ outsiders to the resources in long-term. In order to investigate the importance of sustainability of village institutions and to ensure the appropriate institutional arrangements in the village level, AKRSP organized **the village institution task force** to follow up and study the context of sustainability of village institutions for more than a decade through collaboration with several NGOs. The study area was where the areas services received by AKRSP since 1985 include enhancing the poor communities' capabilities in agricultural development, increasing land tenure, development of water resources. Microfinance programs, forest conservations programs, diversification of income generating activities. The most challenging factor for the village institution in the studied area is that the institutional arrangements of managing common property and open access resources. According to the surveyed results, more than 200 villages serviced by AKRSP through capacity building mechanisms are in significant positive changes in social and economic patterns while involving in the different village developmental activities. The status of women and their role are also considerably improved in the village level and taking leader roles in different development activities. However, the services received villages need to be continuous mentored and facilitated by

the external actors. AKRSP also pointed out that the leadership and collective action are key factors including the exposure visits and training programmes leading the sustainability of village institutions. The capabilities of the communities on the conflict management, response to urgent situations have been increased and issues addressed by collectively in one of village serviced by RKSP after practicing the collective action even the community declined to work together for many reasons in early phase. In contrasts, there are conflicts within the villages regarding the over grazing, fuel-wood collections and encroachments by the adjacent village and often violate the grazing rules set by the communities in the study area. The sustainability of village institutions often breakdown by the external factors, and inter- or intra- conflicts (Vasant P. Gandhi & Marsh. R, 2003).

3. Critique of current governance arrangements at village level:

- Village level elections

According to the Ward/ VTA law 2012, there is a group of supervisory board to supervise the Ward/VTA election process. The board explains the qualifications to be fulfilled in the Ward/VTA and compile the secret voting from ten household by the relevant heads of the family. The board then submitted the name list who has the highest number of secret votes to the Township Administrator. The Ward/VTA will be appointed if the proposed submitted person is fulfilled with stipulated qualifications after Township Administrator scrutinized the person contained in the name list submitted by the board. However, Action Committee for Democracy Development and Progressive Voice (Action Committee for Democracy Development and Progressive Voice; Analysis Reort, 2018) assessment showed that the current arrangements for electing Village Tract Administrators fall short of basic democratic standards for the following reasons:

- no clear election time-line and so people are unaware of the timing of the process and thus their right to participate
- no rules or regulations regarding campaigning for each position, including campaign spending limitations, financing of the election management process, budgetary issues, incitement to violence and hate-speech, or an election dispute mechanism
- the elected village focal persons are voted by the one person of households who are the headed households rather than all voting-age residents of that household according the law
- Township Administrators have authority to dismiss the village focal person.

Therefore, the elected Ward/Village Tract Administrators' representation is weak. They are not directly accountable to all of the community while more direct accountability flows upwards, towards the Township Administrators.

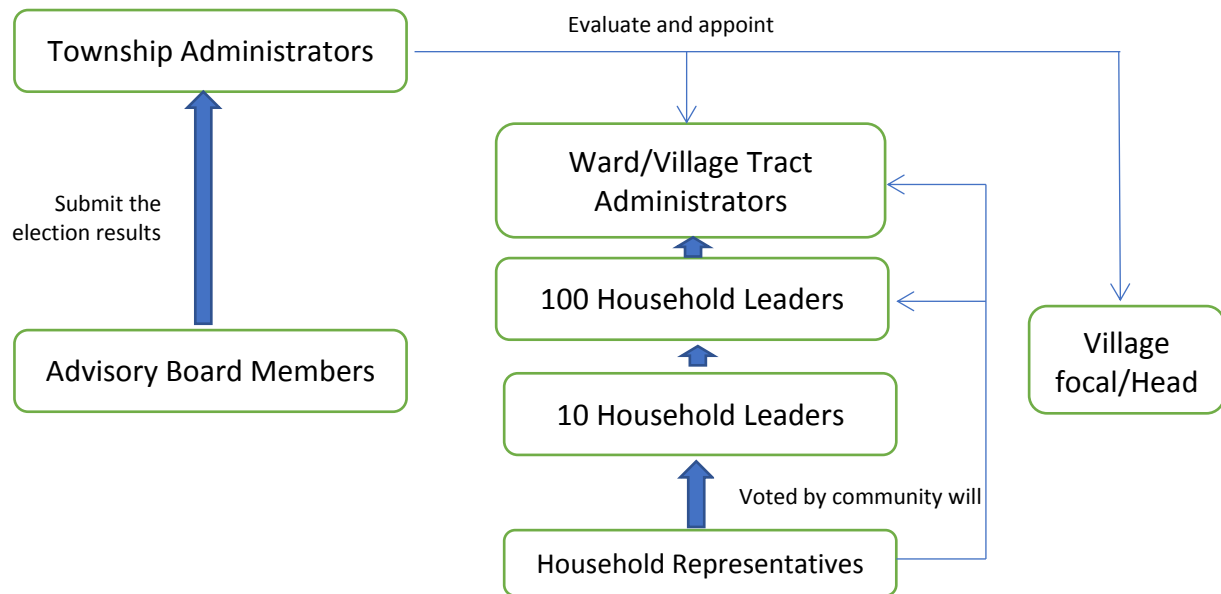


Figure 2. Election Process at Village Level

- Village Head is not accountable to the village community

Fundamentally, village head whom is pre-selected by villagers and later appointed by the consent of Government Administration Department (GAD) is the most responsible person by administrative law for controlling of all activities implemented in respected village. By the nature of relationship, the village headman become the subordinate of GAD's bureaucrats and subsequently absorbed into the GAD hierarchy which in turns they serve mostly for the government department so that most of village headmen are found manipulative and ignorant to the plight of the grassroots and the poor (Nixn.H, Joelene. C, Saw.K.P.C, Lynn.T.A, & Arnold. M, 2013).

- Village Tract Administrators

There is a gap between the individual villages, the VTA and the Township level governance. **The VTAs are not always well-connected to the villages they serve.** As the villagers' social norms, the communities in the village level more believe and welcome the village authorities who are the respected elders, ethnic leaders and village authorities than VTAs. This is a particular issue in remote or conflict areas, which leads to less interaction between VTAs/ government officials and village committees. Behind this situation, the village authorities are not supported required trainings and administrative costs to perform the tasks what they encountered within the villages and work as informal village authorities since the village authorities are quiet disconnected with the VTAs who are working under formal governance system (Kempel.S & MDR, 2012).

According to the issues reviewed on local governance in Myanmar by CGG, the following are some key governance issues in the village level.

- a) The village tract administrators hold conflict between government who appointed them and the community whom they deliver the government services.
- b) No frequent meeting holds or do not consult with the communities/ respected elders within the village which means that they are not practicing the democratic local decision-making process and the VTA could not fully represent their communities.

- c) Most of the VTA are in Lack of skills or knowledge on their responsibilities which is leading that they are not able to effectively consult with the community and could not respond to their communities.
- d) VTAs have barrier to oversight the villages effectively or engage with the communities and meeting with GAD officers at the township since they have limited administrative budget which is about 70,000 kyats per month.
- e) VTAs whose villages are close to the township could frequently engage with GAD to address the communities' problems than in remote or conflict areas. Moreover, the communities from those areas distrust their VTAs or government which is difficult to perform their assigned tasks and difficult to reach or access the government services. Meanwhile, these villages found out another routes to get services through interaction with Member of Parliaments. However, the role of village committees seem not involve in interaction with township officials through VTAs and MPs.
- f) The procedures to engage with communities and identifying the community needs will be different according to the geographical conditions/ remote area, dominated ethnic minorities and conflict area.

- **Proliferation of Village level committees:**

Most villages now have multiple committees, covering different issues and programs, and reporting to different government departments and non-governmental organizations. A proliferation of initiatives by government, INGOs and NGOs at the village level through community driven development approaches have accelerated in recent years. Community level committees are therefore performing a variety of tasks under multiple actors, and structures and objectives are sometimes overlapping within the same village. A group of village level committees are formed in most of the villages from which the committee members are participating in different types of committee such as youth groups, green village development committee, mother and child health groups, school committee, etc.

The committee members face barriers to balance between their multiple tasks under different committees and their income generating activities. One of the case study in Kayah reported by Pact Myanmar found that the women committee members who nominated by the villagers and participated in one or two village level committee face challenges between her reproductive works and the village' opportunities supported by other actors. Pact Myanmar also noted from their survey that some committees are established based on the requirement of the external actors without having coherent and –practicing the community driven approach.

Thus, the effective formation of the village committees is relatively depending on the outsiders/facilitators or the provisions given by the external actors. Moreover, the villages have little interaction and collaboration each other while operating on development projects and local governance issues (Kempel.S & MDR, 2012)..

These issues point to a need for a clearer form of leadership and accountability at individual village level. This would help to bridge the gap between village and VTAs and it would help to streamline the current committees into a clearer structure. It would make it easier for VDCs in different villages to work together on shared areas of interest.

The development of democratically elected, VDCs would help to remedy some of the current barriers to rural development, caused by the lack of effective governance, management, and community participation /representation.

Barriers to rural development

The growing budget for rural development is desirable and sensible for effective poverty reduction. However, the current village governance arrangements are constraining the impact of investment.

The efficacy and efficiency of government development projects are very much depending on the personality of those village headmen and sometime the losses are heightened when respected government agency fail to do the intensive supervision and monitoring of their development activities in the villages. Following are a few observations of such cases witnessing on why restoring democracy in the village is so much important for improving rural livelihoods -

- Government had invested a lot in construction of dam and irrigation network for agriculture development during last decades. But only a half of these infrastructures are useable and irrigable due to the poor maintenance of water canal by farmers. Although attention was paid to promote participatory water user groups for better management of water resources, it was hard to achieve because of the nature of authoritative control and abuse of village headmen on water distribution from the irrigation scheme to farmers. (Personal contact with Win Myo Thu+1+2)
- In parallel to public health care system, Ministry of Health has promoted primary health care system in term of building capacity of community health care workers and raising public awareness and knowledge in dealing with emergency and major health issues. However, this intervention was weakened by bias of village headmen in selecting suitable candidate for being trained as community health workers. Many people selected by village headmen were used to be their relative and never serve for intended primary health care back in their villages after they have been privileged in receiving government assistance. (Personal contact with Win Myo Thu+1+2)
- During last two decades, more than 5 million acres have been seized by government from the farmers for the purpose of infrastructure development, business investment, military's use and government agency's development projects. This land grabbing become major obstacle for ruling government (present and previous government) to undertake the political reform successfully as there are growing distrust among farmers and ethnic minorities. According to existing legislative framework, village tract land committee (VTLC) need to be formed for resolving land conflict at village level by representing farmer interest, concern and priority. However, this VTLC was headed by village headman and the members were picked up by village headman. In many cases, VTLC fail to come up with genuine representation of local farmers and many land dispute remain unsettled. (Personal contact with Win Myo Thu+1+2)
- Deforestation is rampant in Myanmar. During last two decades, almost 20% of forest covers were lost. Illegal logging and forest conversion to agriculture land use are major drivers of deforestation. All of these destructive activities were strongly connected and aggravated by incapable and corrupted village headmen. These Illy-minded village headmen always exploited the undemocratic situation of village for gaining their personal benefits from such illegal activities. (Personal contact with Win Myo Thu+1+2)

- Lack of genuine representation of farmers in the village cause problematic and delay in many village development activities. For example, contract farming is nowadays popular in Myanmar for joint venture between business investor and village farmers for boosting agricultural productivity of certain commercial crops. However, under the authoritarian village headman, farmers are always losers in those business deals and never treated fairly, especially when there are shock and stress in the market and the situation disfavor to comply with the term of agreement. Lack of representation from the grassroots also matters in decision making for priority-setting of development needs and selection of beneficiaries. Unless committed government agencies and civil society organization involved and helped, it is always difficult for vulnerable and disadvantaged households in particular village to participate in village development activities. Recent bitter experience is distribution of food relief and direct-cash grants during COVID19 outbreak reaching to the poor segments of the communities as government intended. (Personal contact with Win Myo Thu+1+2)
- There is a lack of clarity in the demarcation of powers and responsibilities allocated to various government agencies and Myanmar government seemed to have ignored customary practices of land management. Myanmar has different types of customary communal tenure systems and government recognizes the existence of culturally diverse communities but not their institutions, organizations, laws, and rights on land matters. Nationalizing land and resources and placing every village chief in the government's hierarchical system has stripped communities of their territorial and resource autonomy. Only a handful of village leaders kept defending customary tenure. As a result, numerous people have either lost or risk losing the land they have occupied and used for generations. When customary institutions and arrangements are weak or lack of capacity, the community cannot protect resource access as well as various reports indicate that customary institutions and practices are important in defending the land and natural resource rights of local communities. Disputes over customary land rights between local communities and outside parties should be settled through a customary institution. Thus the researchers recommended that legal and policy frameworks will have to be centered on these institutions to strengthen and revitalize them while implementing community-based programs. Local leaders must be empowered to better understand and facilitate change, particularly with regard to removing barriers to community participation through disseminating the benefits of tenure security and building capacities of local leaders. Then, they can better understand and facilitate the change process, particularly with regard to tenure security of rural communities (FAO, 2015).
- Myanmar government has made huge investment in the construction of dams in order to improve the crop productions and to have sufficient irrigation system in the rural areas. Researchers studied to ensure the socioeconomic development in rural area after the construction of dams and study area was in the south-central part of Myanmar. According to this study, the authors explored that there is lack of monitoring and management system by the local organizations and irrigation department, and farmers also reported that they do not access adequate irrigation water from the dam especially who are the tail-end users and middle-reach users. Head-end users sometimes reported that inadequate water supply from dam due to the lack of systematic water distribution. Farmers responded that more systematic water allocation system is urgently needed in order to address the water access inequality problems in the study area. In addition, the head-end users destroyed the canals to pump out the water and blocking the canals in order to access more water, then the tail-end users access less water and increased high production costs for them. Authors recommended that effective coordination and collaboration between the farmers and local authorities in order to address the insufficient water supply issue in the study area. In overall, the crop productivity has increased after construction of dam whereas there is still need to provide the awareness programs for the farmers regarding the infrastructure maintenance and efficient utilization of water trainings (Speelman.S, Huylenbroecka.G.V and Oo.A.T, 2017).

4. What would successful Village Institutions look like?

ALARM was involved in the drafting of the Rural Development Law (2019). This commits to introducing VDCs in all villages. DRD is responsible for formation of village development committees in rural areas and are committed to taking them forward. DRD has asked ALARM to support them in this process by developing a set of reform options that can be implemented. A number of questions are outstanding about the most effective way to implement VDCs. These concern the role, constitution and responsibilities of VDCs, and their alignment with the wider governance structures. In addition, there are questions to be resolved about the most effective process for introducing VDCs across the country, and particular challenges around representation and relationships to government, within Ethnic-controlled areas (See Annex 1).

There are some literatures and evidence cases in establishing the local institutions to take role in rural development activities effectively. Without local institutions, it is likely to be impossible to run development activities, and the barrier to address in formulation of local institutional development is what kinds of institutions to support (promote, facilitate, and assist) with what orientation and with what programs. One of the most commonly cited constraints on rural development is lack of management capacity for carrying out programs. In fact there is substantial capability already at local levels for managing a wide variety of development undertakings, as Calavan (1984:217-221) shows with examples from rural Thailand. Efforts to upgrade rural people's skills and to encourage local leadership to take responsibility more generally could help accomplish much more in all sectors. March and Taqqu (1982) proposed that enhancing the local institutions' capacities is let the existing communities' existing abilities to involve in the particular operations/ development projects rather than try to convert existing institutions to new activities and purposes. According to this proposed strategy, very impressive cases are documented in Africa, and Nigeria where the leaderships remain stronger through the implementation of the projects of traditional savings societies and informal rotating credit. There was another successful case under the rural development project in Aceh, Indonesia, traditional leaders at first dominated the newly established locality-level committees than their influence gradually diminished as community and group level activities took root which brought forth new leadership. The older leaders were gently moved into an advisory rather than an authoritative role.

Moreover, one of UNDPs' projects has successfully enhanced and strengthened the capacities of the community through community driven development approach under the Human Development Initiative (HDI) in India. Moreover, this approach pointed out that emphasizing to strengthen the communities at village level can simultaneously build the social cohesion in a sustainable way for taking over gradually community governance functions on joint planning and implementation of village development priorities.

The village institutions cannot stand alone to perform all development tasks and to address all issues arising from many aspects. Local institutional development is itself a strategy of decentralization, by creating capacities at several local levels for handling authority and responsibility (Meyers, 1982). Institutional development refers to build or strengthen the institutions through concerning with people, with their skills, motivation and personal efficacy and it is necessary to figure out how talents and energies in the relevant

population can be enlisted, upgraded and committed on a regular basis to institutions' operation and improvement. Therefore, supporting local institutional development should begin with considerations of the human aspects of institutional capacity. Rotation and replacement of the respective positions are also the proper way to spread the experiences of the management position widely within the community and best way to promote the local institutional effectiveness and build the capacity. Certainly local administration must operate on a paid, professional basis, and businesses need to pay their employees and return a profit in order to compensate for the time devoted to organizational tasks (Global sustainable development report 2016).

There are various reasons why local communities and local institutions have not played more effective roles in rural development. These include: *internal conflicts, lack of education, experience and skill, a psychology of dependency* and a correlated *sense of inefficacy, domination by certain local groups, unfavourable policy environment, over centralization of government, psychology of paternalism, certain financial interests and divisions along ethnic or other social faultiness*. This paper examined the results of a comparative study involving 16 countries across Asia and summarized the most systematic efforts to conceptualize and organize thinking on this subject and provided the mental tools for making assessments. It was found that where governments undertake to establish local organizations at their own initiative, unilaterally, in what is characterized as a 'top-down' manner, the performance was not very good. Successful organizations could be established when government or non-governmental actors approached communities in a non-imperative manner, seeking to foster bottom-up capacities. This means that organizational structures, purposes and procedures are not imposed from outside but rather are developed together with rural communities, so that their directions and leadership are thoroughly understood and supported (Asian Productivity Organization-APO, 2004).

The republic of China initiated the governmental community development plan in 1965 to accelerate the community development. The Government generally practiced three systems in rural development projects which are official administration system, farmers' association system and non-profit organization system. Among which the former one is government-administrated and is established as a local institution so-called community development association which is generally divided into sections of representative assembly, board of directors and board of supervisors. The members of representative assembly are elected by the community residents and have authority in determining development policies. The members of board of directors and supervisors are elected by the representatives to be responsible for managing and supervising the community development affairs. An executive chief is nominated by the board of directors to take charge of community affairs and to be the community speaker. The community development association is taking roles as a resource deliverer, a coordinator/ facilitator. The second system which is the agricultural extension section of farmers association that is self-administered and its major concerns in on farmers, fishermen and agriculture through emphasizing the training of human resources taking roles as resource distributor, trainer, facilitator, coordinator and farm management consultant. Agents of the agricultural extension section usually consists of members specialized in farming affairs, home economics and youth affairs. Finally, non-profit organizations system which is also self-administered and involved institutions range from environmental protection groups,

cultural rebuilding foundation, local history studio, to associations related to sustainable development. This system especially taking roles as animator, innovator, renovator, facilitator and educator and it has been advocated about sustainable agriculture/ organic culture in most of the arable land. Even though practicing these systems in the Republic of China, the achievement is not as expected, probably the domination of government offices on decision-making of community affairs. Giving more space for the local community in decision making process, planning development strategy and the government-administered organizations have to work with local institutions in order to success in rural development planning (APO, 2004).

Myanmar has organizing Forest User Groups (FUGs) since 1995 which has marked a significant development in decentralization of forest management. However, the Food Security Working Group (FSWG) (2011) found that several FUGs have become dysfunctional over the years due to a small elite seizing forest land for cash cropping without community consultations. The author recommended that the FUGs need to be reform with check and balance system to address issues over participation and equitable access to resources. In addition, public information campaigns should be supported in the village and township level to prevent elite capture of forest land. The paper also suggested that the government should consider community-based strategies such as collective land –use certificates that adapt to changing ecological and social conditions and facilitate greater transparency and community participation. This could help balance power relations and improve public confidence in the land – administration system. Moreover, strengthened mechanism and procedures for informal mediation alongside formal dispute resolution is required. This must be accompanied by capacity building of land agencies at different levels (national, district and community).

The BRAC program discussed already is a good example of a program which follows a highly diversifies strategy of training to increase human capacities in many roles – vocational training for women, organizational training for local leaders, specialized training for paramedics, literacy training for almost everyone which makes the local institutions stronger (Korten, 1980; Ahmed, 1980).

Bottom up vs top down: Evidence shows that top-down imposition of local structures often fails to achieve the desire results. To achieve sustainability, the challenge is to facilitate and institutionalize a process through which rural communities themselves would evolve local organizations to satisfy their own local needs. However, a pure bottom-up approach may not achieve a broad transformation of rural areas as the community has barriers to self-reliance including lack of knowledge and technical skills to deal with the internal conflict, limited financial resources (APO seminar report). Achieving the right balance will be critical.

Islamic Republic of Iran failed in rural development planning in last 5 decades while practicing highly centralized approaches, the evolution of community-driven institutions, active participation of rural people are prevented and designed the development plan through government agencies with the least or lack of rural people participation. After the revolution, Iran started concerning on the community participation on the rural development plan and initiated the creation of grassroots organizations, traditional organizations which are administered through local leadership. Then the Iran started

enacting to establish the Islamic Councils or rural councils in 1982 in order to get involved in the development process alongside the cooperatives and other kinds of governmental organization. According to their law of “Rural Council Elections”, any village with at least 20 families or 100 people is permitted to organize a rural council. The elections were held in 32,677 villages out of 36,000 villages. The main role of Islamic Council is to plan and classify village needs, implement the development programs and establish special commissions to carry out tasks. After engaging two main key policies and procedures in Iran, the rate of changes in rural communities in recent decades has been significant in positive way. These key policies are (1) to determine the role and duties of different organizations related to rural development, (2) to transfer some of the implementation activities of the government to the Islamic Councils and NGOs (Country paper from APO, 2004).

Decentralization approach through active participation will be the pave to be a better service delivery to rural areas and accurately reflect local needs. Especially with decentralization, local communities are expected to assume greater responsibility for community development. Community institutions will become the main instruments for managing community development which is including the assessment of community needs and the potential resources available internally and externally, maintain the information systems, get involved in planning and implementing the development activities, coordination/interacting with related sectors, duty sharing, managing the conflicts and developing the M&E system. The main role of NGOs in rural development activities is that help to reduce the government domination at the local level and try to facilitate the local institutions and provide technical services to be strong enough to perform their tasks not to dominate them. Therefore, the capacity of village level institutions and the effective utilization of existing social capital become important elements of decentralization. APO, 2014 proved that India practiced Local-self-governance (LSG) system which is an effective mechanism at grassroots level after the 73rd Constitutional Amendment 1992. Capacity-building, empowerment of local communities to enhance community participation and empowerment of underprivileged groups/women are included in this system.

Gram sabhas which means village assemblies were constituted in the late 1980s and they failed in this stage because village councilors started to resent the role that citizens had in asking questions and demanding explanations. However in 1992, the gram sabba were formally codified and given the several important powers and functions to the village governments who would govern by an executive, elected village council and a legislature to which every citizen of the village would be a member, with meetings held at least two times a year is compulsory. In the selection of the members of village councils, 33 % of women participation is required and a number proportionate to their population in the village served for disadvantaged castes. Gram sabba played crucial role in enhancing the participatory decentralization such as providing a grassroots program for the citizen of the village in order to raise the awareness and train them how to practice/exercise their rights and actively involve the deliberation democracy. Gram sabba was funded by 40 percent of the state’s development budget to perform above mentioned tasks. Overall the paper finds that the gram sabhas have played an important role in India, providing a relatively open space for citizens to exercise their voice and challenge entrenched social hierarchies and demand improved governance from elected officials. The paper concludes that deliberative institutions can help societies move toward greater equality of agency and social inclusion.

Moreover, the sheer scale of the network of gram sabhas demonstrates that governments, when they are persuaded of the added value of deliberation, can help create deliberative institutions with intrinsic and instrumental value – even in conditions of high inequality and poverty.

After reviewing on the given above literatures, local institutions should be organized themselves to undertake planning and managing and are expected to take over the management of the support services. The challenge is to facilitate and institutionalize a process through which rural communities themselves would evolve local organizations to satisfy their own local needs. As discussed above sections, local people are not fully aware of the roles and importance of local institutions/VDCs which makes much dependency on the village tract administrators and making the VTA more powerful in the village level. There should be clearly identified the roles and responsibilities between local leaders and VTAs with well communication and coordination among them. Then the devolution power could establish in the village level through receiving the additional technical assistances by government, NGOs and other actors. There are the lists of fundamental instruments to become effective village institutions at the village level:

- (a) Elections of right representative person to their communities.
- (b) Practicing the check and balance mechanisms.
- (c) Receive the continuous technical supports from particular governments and other actors.
- (d) Giving more space for the local communities in decision making process in order to be more reflective on the communities 'needs.
- (e) Identify the clear roles and responsibilities and then advocate the communities.
- (f) Problem solving through coordination with related departments.
- (g) Hold frequent meeting with communities and local leaders and make consensus during meeting.
- (h) Active participation and take lead in the assessment of local needs and implementation of village development activities.
- (i) Transparency and accountability within communities and local leaders.
- (j) Performing the development tasks with collective actions.

The village institutions/VDCs could perform the democratic governance at the local level if they are practicing above listed fundamental instruments then became self-autonomy group and effectively participate in poverty reduction forum.

5. Conclusions / way forward

Of these accounts above, it is politically imperative that improving good governance at local level is essential to enhance rural livelihoods opportunities. Although it is not possible at present to do the election for democratic village headman due to 2008's constitutional constraint, it is conceived feasible in creating democratic village institution for check and balance of the authoritative rule by top-down village headman. ALARM has been advocating for development of village development committee since ALARM has been appointed as civil

society member by government in drafting the bill of Rural Development Law that was approved by the parliament in 2019.

As the discussion above, how good governance at village level through enhancing the capabilities of the village institutions can bring the effective local self-governance which leads to the strong institutions at village. Moreover, ALARM has developed a proposed VDC reforming guideline to be more effective village institutions at the village level based on the rapid review on four manuals that DRD currently follow to reform the VDC which can be seen in Annex 2.

In conclusion, village institution itself is the key player to perform rural development tasks efficiently. However, the village institution alone cannot perform their assigned tasks effectively without getting technical assistances, and the development tasks could fail if the village institutions are not strong enough. In addition, there will be less benefits in resource sharing for all different types of groups (i.e. ethnicity, minority, vulnerability, gender and occupation) in the village if the development committees are not democratically elected or not fully representative for the communities. On the other hand, most of the villages have proliferated in forming the development committees by government, NGOs, and INGOs. In order to address above mentioned issues, this paper sets out the proposed guidelines for reforming the village development committee in order to support DRD to have clearer guideline after studying the gaps from existing guidelines and case studies.

Annex 1

1. What should be the main roles and functions of VDCs?

- Are they focused on rural development, or should they have wider local governance responsibilities too (e.g. resolving disputes, community health etc.)?
- What powers should they have over budgets and how would they be funded (and would this be from DRD only, or a range of departments, donor projects etc)?
- What level of power and responsibility would they have? (And are there tensions with DRD / GAD here?)
- How much scope will there be to tailor the institutions to local circumstances and needs? Or to incorporate community-led design?

2. How should the VDC / VI be constituted?

- What are the different options for determining membership of VDCs? What types of election should take place?
- And what are the pros and cons of these different models?
- What is their size?
- How should minority ethnic groups be represented?

3. How do the VDCs/VIs fit into the existing system of governance?

- How would the Village Heads and VTAs relate to the new village institutions?
- How would the VDCs bring together the other existing Committees in the villages?
- Are VDCs owned and led by DRD? If and how should they link to GAD (through VTAs)?

4. How will VDCs work in areas of ethnic conflict and tension?

- How can we avoid exacerbating tensions?
- Are there opportunities for VDCs to cooperate with local governance systems run by EAOs?

5. How can we build the right capacity and skills within villages, to provide competent leadership and management of VDCs?

- What types of skill are needed? To what extent do they exist in villages?
- What support is needed from DRD and others (including donors) to build these skills? And what types of support does DRD need to play this role?

6. How can village institutions be effectively implemented?

- Incremental reform vs big bang: Is there a case for piloting models ahead of national implementation? What is the best process for doing this?
- What support would be needed?

Annex 2

Comparison of VDC formation guideline

	VDP (Village Development Plan)	MSY (Mya Sein Yaung Green Emerald Development Fund)	ERLIP (Enhancing Rural Livelihood and Income Projects)	NCDDP (National Community Driven Development Project)
Structure of VDC	<p>4- 13 members can be organized as VDC.</p> <ol style="list-style-type: none"> Chairman Secretary Treasurer Accountant Members <p>General descriptions on inclusiveness of all minority groups, ethnic, and women.</p>	<p>Management committee & financial sub-committee can be formed with 7 members (4 male & 3 female). Under the Management committee -</p> <ol style="list-style-type: none"> One Chairman One Secretary Five Members <p>Financial Sub-committee can be formed among five members under the management committee. At least one female has to be a member of financial sub-committee.</p> <ol style="list-style-type: none"> Chairman Treasurer Finance clerk 	<ol style="list-style-type: none"> 2 volunteers (1 male, 1 female) for 100 HH, 4 volunteers for 200 HH, etc (half day) VDC – 16 members (8male & 8 female) (half day) VTDC (two heads of each VDSC) – VTFSC, VTFHC Village feedback focal point – 2 volunteers, at least 1 female (not a committee members) 5 sub-committee under VDC <ol style="list-style-type: none"> Livelihood SC – 3 volunteers (at least one female) Financial SC – 2 volunteers (1 book keeper, 1 finance clerk, (at least 1 female)(Chair of VDSC cannot be involved in it) M&E SC – 3 volunteers, (at least 1 female) O&M SC – 3 volunteers, (at least 1 female) Procurement SC – 3 volunteers, (at least 1 female) 	<ol style="list-style-type: none"> Village tract project support committee VTFSC (3 members- finance clerk, chairperson, and members from each village' finance clerk) VTa get involved as advisory person in village tract level. Village feedback focal point (2 members (1 male, 1 female) VDC (2 chairperson- 1male-1 female), finance clerk, member who will be involved as member of VTPSC, 2 volunteers (1male, 1 female). (one volunteer for 100 HH) Procurement SC – 3 members (Record keeper, chair, member) M&E SC O&M SC Village feedback focal point - 2 members (1 male, 1 female)

				Remark – VDC can be organized collectively if HH number were below 20.
Criteria to be a membership	<ol style="list-style-type: none"> 1. The person who can give time for the village development activities. 2. Permanently living in the village. 3. Age of above 18. 4. Being respected by the villagers. 	<ol style="list-style-type: none"> 1. The person who actively & willingness to do the development activities. 2. Being respected by the village. 3. Financially trustable person. 4. Not a religious staff 5. Age of above 18. 6. The person who has relevant income & can give time for development works. 7. Cooperation skills & experiences in group working environment. 8. Financial management skills should have basic level education & reporting skills. 	<p>For village volunteers –</p> <ul style="list-style-type: none"> - Age between 18 and 50 - Basic education level (read & write) - Integrity and respected in the village. - Willing to commit his/her time to perform tasks 	<p>(a) Members must have a high degree of integrity.</p> <p>(b) The must properly understand, sign and follow the Code of Conduct.</p> <p>(c) At least one of the members of each sub-committee should be able to read, write and numerate, as should the finance clerk.</p> <p>(d) At least one of the members of each sub-committee must be a woman.</p> <p>(e) The chairpersons of the VPSC cannot be members of any sub-committee.</p> <p>(f) The chairpersons of the VPSC should be one man and one woman.</p>
Election process	<ul style="list-style-type: none"> - Village headman, 10/100 household leader, elders groups lead the election process. - At least 1person/HH must attend the meeting to participate in election process. - In large villages, the proposed committee 	<ul style="list-style-type: none"> - Define the date/place to ensure that everyone can join the meeting. - Township level implementation committee will lead the election process. VTA & their members will help to hold the election process. 	<ul style="list-style-type: none"> - Prior notice for three days to hold the meeting. - Define the date/place to ensure that everyone can join the meeting. - 50% of all HH, 50% of C&D HH, 50% of minority groups, 50% of women & other existing committee members must attend the meeting. 	<ul style="list-style-type: none"> - Prior notice for three days to hold the meeting. - Half day <p>To be included in the meeting.</p> <ol style="list-style-type: none"> 1. Village leaders (formal and informal); 2. Women; 3. Occupational groups (farmers, fishermen, laborers, etc.);

	<p>member lists will be collected by wards or 10/100 HH groups.</p> <ul style="list-style-type: none"> - The committee members can be elected through voting system or consensus. - The highest number of memberships can be decided by the committee members. - Then the committee members identified their roles. - Report the list of committee members to DRD. 	<ul style="list-style-type: none"> - At least 1 person/HH must attend the meeting to participate in election process. - Each of attendee will receive two blank paper and they have to write two proposed committee members (1 male and 1 female). - The highest number of proposed names became the committee members. - Then the members of financial sub-committee can be elected by the members of management committee. 	<ul style="list-style-type: none"> - Election will be done through Secret ballots. - Persons with highest number of ballots will be the committee member. - Assign the tasks among the committee members - VTDSC (2 chairs from each village attend the meeting and the election will be done through secret ballots) - VTFHC (nominated person 3male &3 female from each village, then the election will be done through secret ballots) 	<p>4. Most vulnerable and poorest groups (e.g., disabled, elderly, landless);</p> <p>5. Other groups present in the village, including any ethnic and or religious groups (separated by male and female if appropriate);</p> <p>6. Committees of other project/programs should also be invited (e.g., MSY, SMU, etc).</p>
Duration	Not mentioned	3 years	1 year based on social auditing results	2 years
Authority	<ul style="list-style-type: none"> - The committee has rights to coordinate with stakeholders & to manage the development projects. - The committee members can decide the number of memberships. - The committee can assign their roles by theirselves. - The VDC can form the sub-committee or development groups if necessary. 	<ul style="list-style-type: none"> - Identified rights for committee members. - Lead to define rules & regulations. - Authority to do the administrative & financial management. - Organize the financial sub-committee. - Committee can take action if someone failure to return the loan. 	<ul style="list-style-type: none"> - Identified rights for committee members. - 	Grievance focal points and finance clerks receive special training on their role in the community project cycle from the CF and the DRD township office.

	<ul style="list-style-type: none"> - Budget allocation and administration. 	<ul style="list-style-type: none"> - Rights to identify the interest rate. - 2% of fund can be used for management cost. 		
Remark	<ul style="list-style-type: none"> - Not mention that how many VDC members should be organized based on the HH numbers. - Not mention that how many women/men, minority groups, ethnic groups can involve in VDC. - The above mentioned criterion to be a member of committee is in general. - There is no clear instructions to make sure that all inclusiveness (women/men, minority groups, ethnic groups, occupational groups) in election process or election meeting. - Not identify the committee duration. - Not mention the list of committee members to make a village bank account. - No clear instructions for the utilization of management costs. 	-	-	

Consideration for the proposed guideline	<ul style="list-style-type: none"> - The number of committee members should be flexible or considered based on the HH numbers in order to have better relationships between villagers and committee and to be an effective workload while performing the village development projects. (eg, 7 members for 100 HH, 14 members for 200 HH. Etc) - There will be different opinions and needs within women/men, ethnicity, minority groups and occupational groups. Therefore, the representatives of all vulnerable groups, gender, ethnicity, minority groups and occupational groups should be considered in order to hear their voices during the election process. - The duration of committee should be defined so that others can have experiences on the financial and project management process. - The criteria for the selection of committee members should be identified in order to perform their assigned tasks effectively. (eg. Education level, communication skills, management skills, etc) - Rules and regulations should be determined in order to handle the fraud and other miscellaneous problems. - Committee should consider that how many times per year to hold the social auditing and village meetings in order to avoid the misunderstanding between villagers and committee as well as to get feedback or advices from the villagers. - Government should provide additional trainings such as management skills, financial management skills, problem solving skills which intent to increase the capacity of committee members.
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Proposed Guidelines for Reforming the Village development committee

1. Introduction
2. Objectives
3. Committee Formation
 - 3.1 Steps of formation
 - 3.2 Selection process
 - 3.3 Responsibilities
 - 3.4 Rights
4. Ethic
5. Meetings
6. Penalties
7. Record Keeping
8. Handover process